

# Amati AIM VCT

## Fund Objective

The investment objective of the Company is to generate tax free capital gains and regular dividend income for its Shareholders, primarily through Qualifying Investments in AIM-traded companies and through Non-Qualifying Investments as allowed by the VCT legislation. The Company will manage its portfolio to comply with the requirements of the rules and regulations applicable to VCTs from time to time. The Company's policy is to hold a diversified portfolio across a broad range of sectors to mitigate risk.

## Contact Details

<b>Investment Manager</b>	<b>Registrar</b>
Amati Global Investors Ltd 8 Coates Crescent Edinburgh EH3 7AL	City Partnership (UK) The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH
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<b>E:</b> <a href="mailto:info@amatiglobal.com">info@amatiglobal.com</a>	<b>E:</b> <a href="mailto:amativct@city.uk.com">amativct@city.uk.com</a>
<b>W:</b> <a href="http://www.amatiglobal.com">www.amatiglobal.com</a>	

## Key Information

Launch Date	29 Jan 2001
NAV per share (p) (incl Income)	83.33p
Total assets (based on capital only)	£123.1m
Share price (bid)	77.00p
Discount to NAV (incl income)	7.60%
No. of Holdings	69
Charges	OCF: 2.0% (incl annual management fee of 1.75%)
Independent Board	Fiona Wollocombe (Chair) Julia Henderson Brian Scouler

### Investment Team

 <b>Dr Paul Jourdan</b> CEO & Fund Manager	 <b>David Stevenson</b> Director & Fund Manager
 <b>Dr Gareth Blades</b> Analyst	 <b>Gregor Paterson</b> Analyst

## Ratings, Awards & Signatories



To view all fund awards, please [click here](#)

## 10 Largest Holdings

% OF TOTAL ASSETS

WS Amati UK Listed Smaller Companies Fund	9.9%
Learning Technologies Group	5.3%
Keywords Studios	4.6%
AB Dynamics	4.0%
Craneware	3.4%
Property Franchise Group	3.2%
GB Group	2.8%
Aurrigo International	2.7%
Water Intelligence	2.5%
MaxCyte	2.4%

## Cumulative Performance

	Nav Return (%)*	Index Return (%)**
1 month	-1.65	-3.79
3 months	-2.72	-2.58
6 months	3.39	0.63
1 year	-0.62	2.86
2 years	-23.73	-5.28
3 years	-49.61	-37.86
5 years	-13.40	-10.54
Since take-on#	96.91	18.21

Cumulative performance data as at 30/09/2024

\*NAV Total Return, uses NAV per share, net of fees, assuming dividends are re-invested on the ex-dividend date, excluding tax reliefs and up-front costs.

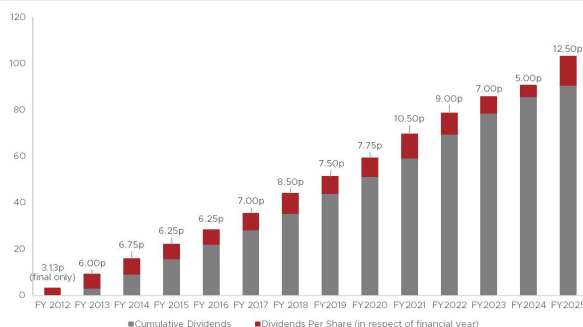
\*\*Numis Alternative Markets Total Return Index

#Take-on date: 25 March 2010

Past performance is not a reliable indicator of future performance.

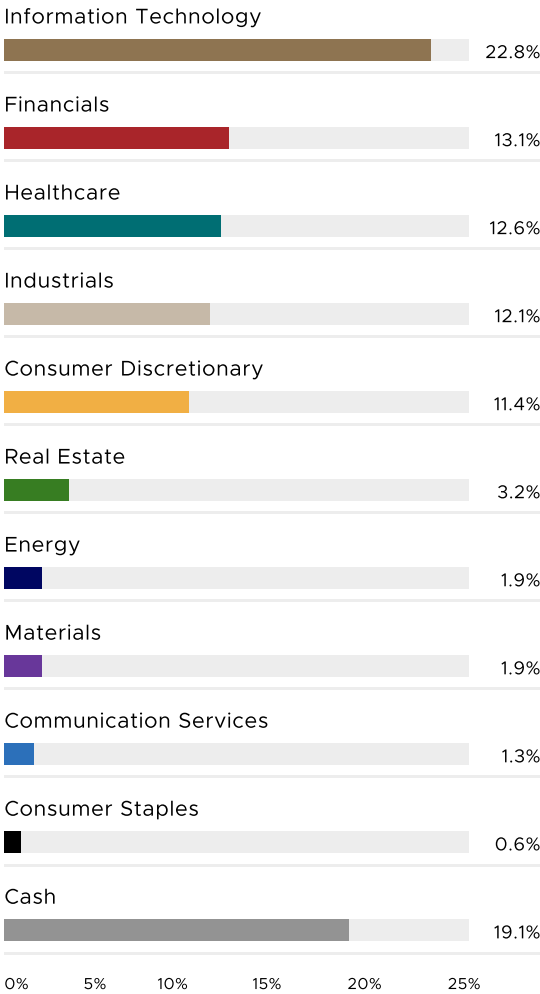
## Dividends

(since 2012 merger)



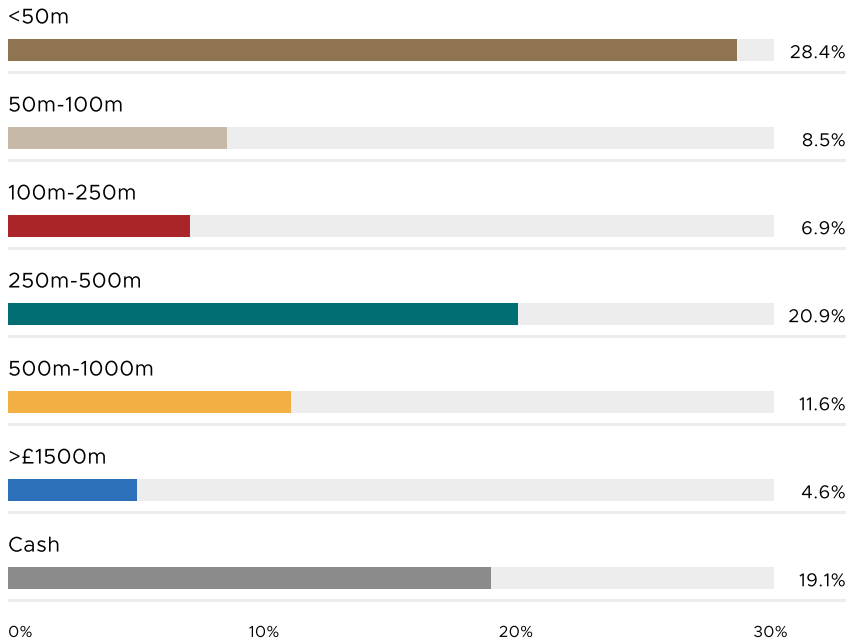
The Company operates a dividend reinvestment scheme which allows shareholders to have their dividend payments automatically reinvested into shares at the NAV per share prevailing on the dividend payment date. To opt in or out of this scheme, please contact City Partnership (UK).

**Sector Weightings**



Source: Amati Global Investors as at 30/09/2024

**Market Cap (£)**



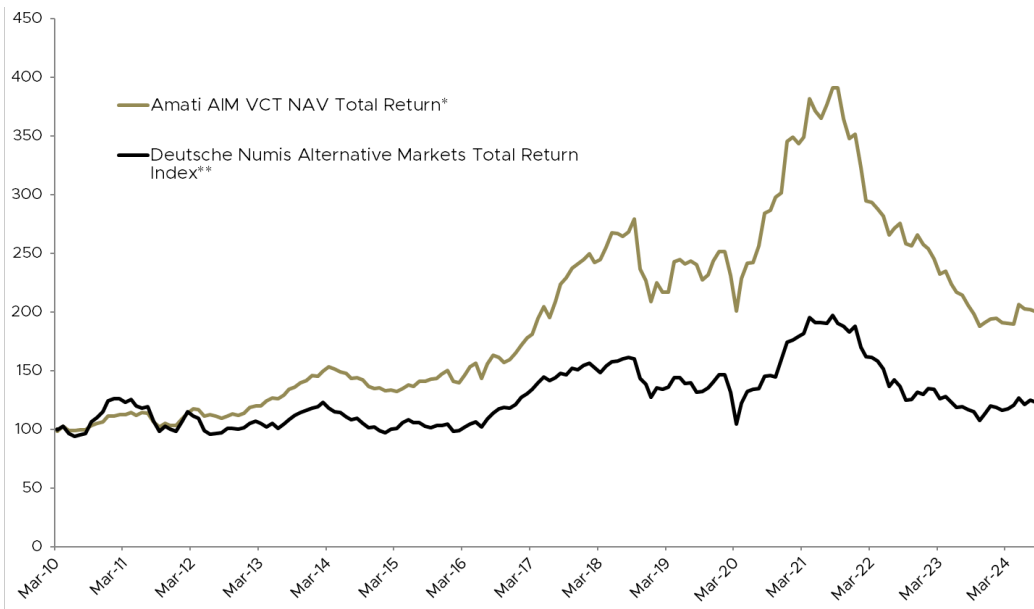
Source: Amati Global Investors as at 30/09/2024

**Geographical Distribution by Revenue**



Source: Amati Global Investors as at 30/09/2024

**NAV Total Return vs AIM (since take-on)**



\*NAV Total Return (since take-on 25/03/2010), uses NAV per share, net of fees, assuming dividends are re-invested on the ex-dividend date, excluding tax reliefs and up-front costs.

\*\*The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note that the Fund is not constrained by or managed to the Index.

Sources: Amati Global Investors Ltd, Numis Securities Ltd and Waystone Administration Services (UK) Ltd. Issued by Amati Global Investors Ltd, authorised and regulated by the Financial Conduct Authority. Registered in Scotland, number: SC199908. Registered address: 8 Coates Crescent, Edinburgh EH3 7AL

Past performance is not a reliable indicator of future performance.

Source: Amati Global Investors as at 30/09/2024

## Investment Report

Markets received twin boosts in the month, with the US Federal Reserve beginning its easing cycle with a larger than expected 50bps cut, and then later, the unveiling of significant monetary and fiscal stimulus measures by Chinese authorities. This created a tailwind for global equities despite growing hostilities in the Middle East but, frustratingly, the UK once again refused to join in, with the main index flat over the month. The Bank of England stayed its hand on further rate cuts as UK inflation remained firm, whilst a stubborn pattern of scattered profit warnings kept investors on the backfoot. UK market sentiment is also being held back by the looming Autumn Budget, with concerns about tax increases and spending cuts uppermost in investors' minds. The AIM market in particular continues to experience significant headwinds due to the possible removal of IHT reliefs. Whilst there has been much discussion of this in the press, particularly from those who have little sympathy towards AIM, Government officials have said nothing on this subject. Given the level of negativity stemming from speculation about what might happen, there is the potential for a substantial rally in AIM shares if the rules around AIM and IHT reliefs are not changed in the Budget, even more so if other feared tax changes, such as an increase in the rate of capital gains tax, turn out to be more benign than expected. The UK economy has so far performed better than expected in 2024, with sustained (if slowing) economic growth and the prospect of further rate cuts to come.

The NAV Total Return for the month was -1.7%, which outperformed a move of -3.8% for the Deutsche Numis Alternative Markets index. The biggest contributor to performance was software and services provider, **Learning Technologies**, which received a bid approach from private equity and rose close to 40% in the month. The fact that the shares could rally to this degree on a relatively lowly-valued bid, is a reflection of the depressed state of the market. Another material contributor was ASIC designer and supplier, **Ensilica**, which continues to announce a stream of material contract news. Within the month this involved a European telecoms equipment provider, a European industrial automation OEM, and a design and supply agreement with Siemens AG. In terms of negatives, components supplier and manufacturer, **Solid State**, saw weakness into a share restructuring, driven by retail investor activity. This has since been completely reversed in early October. Lettings and sales agent, **Property Franchise**, also gave back some of its recent significant strength, as did healthcare software specialist, **Craneware**.

Portfolio activity during the month included two small follow-on investments. These involved further growth funding for carbon reduction management AI platform provider, **2 Degrees**, and rail network management AI platform provider, **Cordel**. A new position was also taken in an unquoted company, **Zelim**. Zelim, based in Edinburgh, is a maritime safety technology company. The company's initial ambition was to create autonomous rescue boats. In doing so they designed a device called Swift, which brings people safely from the water onto a rescue boat, using a marine-style conveyor belt. They also designed software, which uses image analysis based on machine learning to identify and locate people floating in the water. It is in this software, called ZOE, that we believe much of the value of the business lies. The first commercial installation was on a drill ship of one of the largest offshore drilling companies in the world. Zelim won a competition run by the US Navy to provide an autonomous Man-Overboard (MOB) alert system, which allows them to sign an exclusive long-term contract with US public services. The initial demonstration has now been contracted, with the expectation of a larger-scale demonstration next year. Zelim are in the process of installing ZOE onto a commercial cruise ship in the UK in order to run tests with the expectation of being the first company to achieve ISO 21195 certification for an autonomous MOB system for cruise ships. It is expected that once a commercially system is available with this certification, the US Coast Guard will mandate its use, as they are required to do so under existing legislation. The company's sales pipeline also includes ports, pilot boats, coast guards and airborne rescue services. There is potential for the company to float on AIM in the future, with the timing of this subject to commercial progression.



David Stevenson  
Director & Fund  
Manager

 Risk Warning

Your attention is drawn to the following risk warnings which identify some of the risks associated with a Venture Capital Trust (VCT): The value of your investment in a VCT and the income from it can go down as well as up and you may not get back the amount invested, even allowing for the tax breaks. An investment in a VCT may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such an investment and you should seek professional advice before effecting any such investment. Past performance isn't a guide to future performance. Performance data is intended for existing investors and should not be relied upon by potential investors in making investment decisions. Changes in legislation may adversely affect the value of the investments. The levels and the basis of the reliefs from taxation may change in the future. You should seek your own professional advice on the taxation consequences of any investment. An investment in a VCT carries a higher risk than many other forms of investment. A VCT's shares, although listed, may be difficult to realise. VCT share trading is not particularly active, meaning that it may be difficult to sell VCT shares and most VCTs trade below their net asset value (NAV). Details of the buy-back policy are included in the prospectus. You should regard an investment in a VCT as a long term investment, particularly as regards a VCT's investment objectives and policy and the five year period for which shareholders must hold their ordinary shares to retain their initial income tax reliefs. The investments made by VCTs will normally be in AIM listed companies or in other companies whose securities are not publicly traded or freely marketable and may therefore be difficult to realise and investments in such companies are substantially riskier than those in larger companies. If a VCT loses its Inland Revenue approval tax reliefs previously obtained may be lost. The levels of charges for VCTs are generally higher than for unit trusts and open ended investment companies. Amati AIM VCT can borrow money to make further investments. This is commonly referred to as gearing. The risk is that when this money is repaid by the VCT the value of these investments may not be enough to cover the borrowing and interest costs and the VCT will make a loss. If the VCT investments fall in value, gearing will increase the amount of this loss. The more highly geared the VCT, the greater this effect will be.